



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: July 12, 2006

REPORT NO: 06-091

ATTENTION: Council President and City Council
Docket of July 17, 2006

SUBJECT: Fiscal Year 2007 Year Appropriation Ordinance

REFERENCE:

REQUESTED ACTION:

Adopt the Fiscal Year 2007 Appropriation Ordinance

STAFF RECOMMENDATION:

The City Council should adopt the Fiscal Year 2007 Appropriation Ordinance.

SUMMARY:

The Annual Appropriation Ordinance (Ordinance) is the spending authority for the budget and is required by City Charter Section 71. As prescribed by the Charter, the Ordinance shall be subject to two public hearings and must be adopted in the month of July.

DISCUSSION:

The Fiscal Year 2007 Budget, as prepared by the Mayor and passed by the City Council, is the basis for the development of the Appropriation Ordinance. The Ordinance is not subject to Mayoral veto (Charter Section 280 (a)(4) and 290(d)). Additionally, according to Charter Section 73, only the City Council has the authority to make any appropriation changes throughout the fiscal year. Notwithstanding the above or any restriction specified in the City Charter, the Ordinance would delegate authority to the City Auditor and Comptroller, at the direction of the Chief Financial Officer, to reallocate appropriations **within** a budget department.

All reallocations of appropriations between departments and all appropriations of unbudgeted revenues or expenditures require City Council approval.

DISCUSSION (Continued)

This is a change from past practice. In prior years the City Auditor and Comptroller was authorized, in conjunction with the Financial Management Department, to appropriate over budget “excess” revenues to departments to cover over budget expenditures and to make other adjustments. These adjustments were reported in the traditional “fourth quarter adjustment”, which was after-the-fact reporting. The proposed Appropriation Ordinance requires periodic reporting on authorized reallocations.

FISCAL CONSIDERATIONS:

The Fiscal Year 2007 Appropriation Ordinance appropriates the Fiscal Year 2007 Budget.

CONCLUSIONS:

The Fiscal Year 2007 Appropriation Ordinance provides the legal expenditure authority. This authority rests with the City Council and is not subject to Mayoral veto. Limited levels of authority have been delegated to the City Auditor and Comptroller. It is recommended that the City Council adopt the Ordinance.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None

John Torell
City Auditor and Comptroller

Lawrence V. Tomanek
Assistant City Auditor and Comptroller

Mary Lewis
Financial Management Director

Jay M. Goldstone
Chief Financial Officer